

IN THE UNITED STATES DISTRICT COURT FOR THE  
EASTERN DISTRICT OF VIRGINIA  
Norfolk Division

FILED  
IN OPEN COURT

AUG 11 2022

CLERK, U.S. DISTRICT COURT  
NORFOLK, VA

UNITED STATES OF AMERICA ) Criminal No. 2:22-cr- 108  
 )  
 ) 18 U.S.C. § 371  
 v. ) Conspiracy  
 ) (Count 1)  
 )  
 YANG GAO, ) 18 U.S.C. §§ 1952(a)(3) and 2  
 (Counts 1-4) ) Use of Facilities in Interstate Commerce  
 ) to Promote Prostitution  
 ) (Counts 2)  
 )  
 YE WANG, )  
 (Counts 1-4) )  
 )  
 and ) 18 U.S.C. § 1956(a)(1)  
 ) Conspiracy to Commit Money Laundering  
 ) (Count 3)  
 )  
 SI LIU, ) 18 U.S.C. § 1951(a)  
 (Counts 1-3) ) Interference with Commerce by Robbery  
 ) (Count 4)  
 )  
 Defendants. )  
 )  
 ) 18 U.S.C. §§ 924(d)(1), 981(a)(1)(C), and  
 ) 982(a)(1); 28 U.S.C. § 2461(c)  
 ) Criminal Forfeiture  
 )

INDICTMENT

August 2022 TERM - at Norfolk

General Allegations

At all times relevant to this Indictment:

1. From in or about January 2021, and continuing up to and including May 4, 2022, YANG GAO, YE WANG, and SI LIU worked as operators or managers of illicit, unregistered massage parlors located in Virginia Beach and Williamsburg, which derived revenues from the prostitution of female employees for money.

2. YANG GAO and SI LIU are married.

3. Women of Asian ethnic descent were recruited online to work for YANG GAO, YE WANG, and SI LIU. Female employees within the massage parlors performed sex acts for “johns,” or customers, in exchange for cash payments. YANG GAO, YE WANG, and SI LIU split the prostitution proceeds with the women engaged in prostitution. YANG GAO, YE WANG, and SI LIU provided essential services, food and water for the women engaged in prostitution, who called YANG GAO, YE WANG, and SI LIU bosses.

4. YANG GAO, YE WANG, and SI LIU traveled to the massage parlors located in Virginia Beach and Williamsburg to collect prostitution proceeds. The women engaged in prostitution at these massage parlors had no known local ties to the community and traveled with the assistance of a larger enterprise based out of Flushing, New York.

5. Money was transferred to the New York-based enterprise through a large web of individuals known and unknown to the grand jury through cash deliveries from the Eastern District of Virginia to the Flushing, New York area and through electronic means through mobile banking. Money is paid to the operators directly from the women working in the parlors and from members of the larger enterprise in the form of checks and electronic transfers to the operators.

6. YANG GAO and SI LIU would direct women working at the massage parlors and others, including relatives, to make cash deposits into their own accounts or into third-party bank accounts.

7. During the course of the conspiracy, GAO, WANG, and LIU maintained bulk cash proceeds marked with the names or monikers of women paid to perform sex acts at the massage parlors at their personal residences. It was further part of the conspiracy that GAO,

WANG, and LIU deposited the cash into their own personal bank accounts and the accounts of others known and unknown to the grand jury.

THE GRAND JURY CHARGES THAT:

COUNT ONE  
(Conspiracy)

1. The General Allegations in paragraphs 1-7 above are incorporated herein.

2. Beginning in or about January 2021, and continuing up to and including May 4, 2022, the exact dates to the Grand Jury being unknown, within the Eastern District of Virginia, the defendants, YANG GAO, YE WANG, and SI LIU, knowingly and willfully conspired and agreed together and with each other, and with other persons known and unknown to the Grand Jury, to commit an offense against the United States, that is, to travel in interstate and foreign commerce and use facilities in interstate and foreign commerce to promote prostitution, in violation of Title 18, United States Code, Sections 1952(a)(3) and 2.

Object of the Conspiracy

3. The object of the conspiracy was for YANG GAO, YE WANG, and SI LIU, and others known and unknown to the Grand Jury, to obtain money for and preserve the financial resources of the members of the conspiracy through the online advertisement, promotion, and facilitation of prostitution in Virginia Beach and Williamsburg.

Ways, Manner and Means of the Conspiracy

4. During and in furtherance of this conspiracy and to effect the object of the conspiracy, members of the conspiracy would and did play different roles. YANG GAO managed the day-to-day operations of the parlors, including collecting money obtained via prostitution. YANG GAO also provided transportation to women engaged in prostitution and maintained the unlicensed massage parlors utilized for prostitution.

5. YE WANG assisted GAO in the operation of the illicit prostitution business, including transporting women engaged in prostitution, bringing supplies and maintaining the massage parlors, and facilitating payments to women engaged in prostitution.

6. Both GAO and WANG engaged in violence during the course of the conspiracy.

7. SI LIU helped facilitate the operation of prostitution, collected proceeds from the prostitution, managed the Internet advertising of the illicit massage parlors, and encouraged women to perform sex acts by providing condoms and offering financial incentives. SI LIU also controlled at least one prepaid “operator” number, (757) 712-9817, which was listed in online prostitution advertisements on skipthegames.com and utilized to schedule prostitution appointments. An operator number is a phone number used by the organization to schedule and facilitate prostitution appointments. A prostitution customer called the operator, who directed the customer to the location of the prostitution appointment.

6. During the course of the conspiracy, YANG GAO, YE WANG, and SI LIU operated illicit spa locations at five locations: 4722 Princess Anne Road, Virginia Beach (hereafter the “Princess Anne Road Spa”); 4966 Euclid Road, Unit 107, Virginia Beach (hereafter the “Euclid Road Spa”); 4801 Shell Road, Virginia Beach (hereafter the “Shell Road Spa”); 1309 Jamestown Road, Williamsburg (hereafter the “Jamestown Road Spa”); and 241 Southgate Avenue, Virginia Beach (hereafter the “Southgate Ave Spa”). The unlicensed “business” names associated to these spa locations sometimes varied and changed throughout the investigation.

Overt Acts

1. On or about October 8, 2021, YANG GAO AND YE WANG robbed and assaulted a woman engaged in prostitution, P.T., within GAO and WANG's territory.
2. During the course of the conspiracy, SI LIU presented false identification documents to the landlord and owner of the Shell Road Spa and signed notarized lease agreements for the Shell Road Spa. SI LIU paid the lease for the Shell Road Spa each month by check.
3. GAO, WANG and LIU caused prostitution advertisements to be posted on skipthegames.com from approximately January 2021 through May 2022.
4. On multiple occasions, including on or about January 11, 2022, and January 13, 2022, SI LIU caused to be posted an online advertisement for prostitution on skipthegames.com with a contact phone number of (757) 712-9817, belonging to the Shell Road Spa. The skipthegames.com advertisement displayed images of scantily clothed Asian females in provocative positions; and highlights services including, but not limited to; "Deep throat," "Face sitting," "Oral – without condom (BBJ)."
4. On January 13, 2022, a law enforcement officer working in an undercover capacity, entered the Shell Road Spa. Once inside the law enforcement officer encountered an Asian female, managed by LIU, GAO, and WANG, who solicited and agreed to perform oral sex on the officer in exchange for \$100.00.
5. On or about January 26, 2022, SI LIU made a payment at a T-Mobile store in Virginia Beach toward the prepaid operator number (757) 712-9817.
6. On multiple occasions, including on or about February 4, 2022, SI LIU caused to be posted an online advertisement for prostitution on skipthegames.com which listed a contact

phone number of (757) 515-6469, belonging to the Euclid Road Spa. The skipthegames.com prostitution advertisement displayed images of scantily clothed Asian females in provocative positions; and highlights services including, but not limited to; “Deep throat,” “Face sitting,” “Oral – without condom (BBBJ).”

7. On February 4, 2022, a law enforcement officer working in an undercover capacity entered the Euclid Road Spa. Once inside the officer encountered an Asian female, managed by GAO, WANG, and LIU who solicited and agreed to perform oral sex on the officer in exchange for \$60.00.

8. On April 12, 2022, a law enforcement officer working in an undercover capacity entered the Jamestown Road Spa. Once inside the officer encountered an Asian female, managed by GAO, WANG, and LIU, who solicited and agreed to engage in genital-genital intercourse in exchange for \$150.00.

9. On April 29, 2022, a law enforcement officer working in an undercover capacity entered the Princess Anne Road Spa. Once inside the officer encountered an Asian female, managed by GAO, WANG, and LIU, who solicited and agreed to perform oral sex on the officer in exchange for \$150.00.

(In violation of Title 18, United States Code, Section 371.)

COUNT TWO  
(Use of Facilities in Interstate Commerce to Promote Prostitution)

THE GRAND JURY FURTHER CHARGES THAT:

From on or about January 11, 2022 through February 4, 2022, in the Eastern District of Virginia and elsewhere, defendants YANG GAO, YE WANG, and SI LIU, did knowingly use and cause to be used, a facility in interstate and foreign commerce, namely the Internet, with the intent to promote, manage, establish, and carry on, and to facilitate the promotion, management, establishment, and carrying on of an unlawful activity, that is Receiving Money from Prostitution, in violation of Title 18.2 of the Code of the Commonwealth of Virginia, Section 357, and Aiding Prostitution, in violation of Title 18.2 of the Code of the Commonwealth of Virginia, Section 348, and thereafter performed and attempted to perform an act to promote, manage, establish, and carry on, and to facilitate the promotion, management, establishment, and carrying on of such unlawful activity.

(In violation of Title 18, United States Code, Sections 1952(a)(3)(A) and (b)(i)(l).)

COUNT THREE  
(Conspiracy to Commit Money Laundering)

1. The factual allegations contained in the General Allegations section are incorporated herein by reference as if set out in full.

2. From Beginning in or about January 2021, and continuing up to and including May 4, 2022, the exact dates to the Grand Jury being unknown, within the Eastern District of Virginia and elsewhere, the defendants, YANG GAO, YE WANG, and SI LIU, did knowingly combine, conspire, and agree with other persons known to the Grand Jury to commit an offense against the United States in violation of Title 18, United States Code, Section 1956, to wit:

a. Laundering of monetary instruments, that is, to knowingly conduct and attempt to conduct financial transactions affecting interstate and foreign commerce, which transactions involved the proceeds of specified unlawful activity, that is, to use facilities in interstate commerce to promote prostitution, in violation of Title 18, United States Code, Sections 1952(a)(3) and 2, knowing that the transactions were designed in whole and in part to conceal and disguise the nature, location, source, ownership, and control of the proceeds of specified unlawful activity, and that while conducting and attempting to conduct such financial transactions, and knowing that the property involved in the financial transactions represented the proceeds of some form of unlawful activity, in violation of Title 18, United States Code, Section 1956(a)(1)(B)(i).

Object of the Conspiracy

3. The object of the conspiracy was for YANG GAO, YE WANG, and SI LIU and others, known and unknown to the Grand Jury, to move and conceal the proceeds of a conspiracy and to promote prostitution.

Ways, Manner, and Means of the Conspiracy

4. It was part of the conspiracy that the defendants, YANG GAO, YE WANG, and SI LIU, and others, known and unknown to the Grand Jury, collected and deposited a percentage of profits obtained from using facilities in interstate and foreign commerce to promote prostitution, in violation of Title 18, United States Code, Sections 1952(a)(3) and 2, into various bank accounts, including accounts held at Navy Federal Credit Union (NFCU) and Bank of America.

5. GAO has a joint deposit (NFCU-0185) account and savings (NFCU-6633) account at NFCU with LIU. LIU has an individual deposit (NFCU-1794) and savings (NFCU-3813) account at NFCU. GAO has an individual deposit account at Bank of America (BOA-6730). WANG maintains a joint deposit account at J.P. Morgan Chase Bank (JPMC-6267) with his wife and an individual deposit account (BoA-0973) at Bank of America.

6. The defendants routinely deposited proceeds of the specified unlawful activities into the accounts.

Overt Acts

7. GAO, LIU and WANG made and caused to be made the following financial transactions:

Date	Amount	Description
1/20/2021	\$10,000	GAO deposited a \$10,000 check into NFCU-6633.
1/21/2021	\$20,000	GAO deposited a \$20,000 cashier's check into NFCU-6633.
7/21/2021	\$5,000	GAO deposited a \$5,000 cash into NFCU-6633.
7/21/2021	\$4,000	LIU deposited \$4,000 cash into NFCU-3813.
2/8/2022	\$5,000	GAO deposited \$5,000 cash into NFCU-0185.

3/2/2022	\$4,000	GAO deposited a \$4,000 check from WANG's account, BOA-0973, into NFCU-6633.
3/2/2022	\$10,000	LIU deposited \$10,000 cash into NFCU-3813.
2/28/2022	\$5,000	WANG caused a \$5,000 check to be deposited by GAO into NFCU-6633.
2/28/2022	\$3,000	WANG caused a \$3,000 check to be deposited by GAO from an account shared with his wife, T.C., JPMC-6267, into NFCU-6633.

(In violation of Title 18, United States Code, Sections 1956(a) and 1956(h)).

COUNT FOUR  
(Interference with Commerce by Robbery)

THE GRAND JURY FURTHER CHARGES THAT:

1. Prostitution is an inherently economic enterprise that affects interstate commerce.
2. On or about October 8, 2021, in the City of Virginia Beach, Virginia, in the Eastern District of Virginia, the defendants, YANG GAO and YE WANG, aided and abetted by each other, did knowingly and unlawfully obstruct, delay and affect, and attempt to obstruct, delay and affect commerce as that term is defined in Title 18, United States Code, Section 1951, and the movement of articles and commodities in such commerce, by knowingly and willfully committing robbery, as that term is defined in Title 18, United States Code, Section 1951, in that YANG GAO and YE WANG, aided and abetted by each other, did unlawfully take and obtain property consisting of United States currency, belonging to P.T., a female engaged in prostitution, from the person of P.T. and against her will by means of actual and threatened force, violence, and fear of injury, immediate and future, to her person.

(In violation of Title 18, United States Code, Sections 1951(a) and 2).

FORFEITURE

THE GRAND JURY FURTHER FINDS PROBABLE CAUSE THAT:

1. The defendants, if convicted of any of the violations alleged in Counts One, Two, or Four of this indictment, shall forfeit to the United States, as part of the sentencing pursuant to Federal Rule of Criminal Procedure 32.2, any property, real or personal, which constitutes or is derived from proceeds traceable to the violation.
2. The defendants, if convicted of the violation alleged in Count Three of this indictment, shall forfeit to the United States, as part of the sentencing pursuant to Federal Rule of Criminal Procedure 32.2, any property, real or personal, involved in the violation, or any property traceable to such property.
3. The defendants, if convicted of any of the violations alleged in this indictment, shall forfeit to the United States, as part of the sentencing pursuant to Federal Rule of Criminal Procedure 32.2, any firearm or ammunition involved in or used in the violation.
4. If any property that is subject to forfeiture above is not available, it is the intention of the United States to seek an order forfeiting substitute assets pursuant to Title 21, United States Code, Section 853(p) and Federal Rule of Criminal Procedure 32.2(e)
5. The property subject to forfeiture includes, but is not limited to, the following property:
  - a. 4144 Archstone Drive, Virginia Beach, Virginia;
  - b. \$32,000 seized from 4144 Archstone Drive, Virginia Beach, Virginia on or about May 4, 2022;
  - c. A 2019 Infinity QX6 was seized from 4144 Archstone Drive, Virginia Beach, Virginia on or about May 4, 2022;
  - d. 425 Brockwell Avenue, Norfolk, Virginia;

- e. \$57,000 in U.S. Currency seized from 425 Brockwell Avenue, Norfolk, Virginia on or about May 4, 2022;
- f. A 2019 Toyota Sienna seized from 425 Brockwell Avenue, Norfolk, Virginia on or about May 4, 2022;
- g. A 2013 Lexus RX seized from 425 Brockwell Avenue, Norfolk, Virginia on or about May 4, 2022;
- h. A 2018 Subaru WRX STI seized from 425 Brockwell Avenue, Norfolk, Virginia on or about May 4, 2022;
- i. 1716 Stratton Drive, Virginia Beach, Virginia; and
- j. Jewelry and a gold bar seized on or about May 4, 2022.

(In accordance with Title 18, United States Code, Sections 924(d)(1), 981(a)(1)(C), and 982(a)(1); and Title 28, United States Code, Section 2461(c).)

*United States v. Yang Gao, et al.,*  
Criminal No. 2:22cr **108**

Pursuant to the E-Government Act,  
the original of this page has been filed  
under seal in the Clerk's Office.

A TRUE BILL

**REDACTED COPY**

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